

**Minutes
Catawba County Board of Commissioners
Budget Hearings
Monday, June 15, 2009, 8:00 a.m.**

Budget

Budget Hearings with Departments and outside agencies

364 06/15/09

The Catawba County Board of Commissioners met in Special Session on Monday, June 15, 2009 at 8:00 a.m. in the 2nd Floor Meeting Room of the Government Center in Newton, North Carolina. The purpose of the special meeting was for budget hearings for County departments and outside agencies for Fiscal Year 2008/09.

Present were Chair Katherine W. Barnes, Vice-Chairman Lynn M. Lail, Commissioners Dan Hunsucker, Glenn E. Barger and Barbara G. Beatty.

Absent: None

A quorum was present.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Lee Worsley, Assistant County Manager Dewey Harris and Budget Manager Jennifer Mace.

1. Chair Barnes called the special meeting to order at 8:00 a.m.
2. Budget Hearings:
The following departments presented their proposed budgets for Fiscal Year 2009/10:
Technology/Communications Center
Catawba County Schools
Newton-Conover Schools
Hickory City Schools
Catawba Valley Community College

Garrett Hinshaw, CVCC President, asked the Board of Commissioners to use funds previously committed to a Truck Driver Training Facility and to Wall Repairs to assist with the Simulated Hospital Project and the Center for Emerging Manufacturing Solutions (CEMS). In Fiscal Year 2007/08, the Board approved \$1.5 million for a Truck Driver Training Facility. CVCC worked with Landfill staff and contractors to evaluate the possibility of locating a truck driver training facility at the Landfill to include classroom space and paving of several acres. During this process, GE approached CVCC about using space on their property since the BLET program is currently being delivered at this site. Of the remaining \$1,472,837.90 in the project, CVCC anticipates only needing \$225,000 to complete the project at the GE site. CVCC also had \$178,000 remaining in a wall repair project that is now complete. CVCC requested that they be allowed to use a combined \$1,425,837.90 remaining in these projects to assist with other projects as follows:

- Simulated Hospital – (\$1 million) CVCC plans to install a maintenance/loading elevator on the outside of the simulated hospital with a projected cost of \$650,000 and \$350,000 for equipment.
- Center for Emerging Manufacturing Solutions (CEMS) – \$425,837.90 to assist with needed renovations to the Ryan Steakhouse building recently purchased to serve as the CEMS building.

Commissioner Barger made a motion to approve this transfer in Fiscal Year 2008/09. The motion carried unanimously.

Mental Health Partners
Utilities and Engineering
Sheriff
Emergency Services
Forestry

Soil and Water
Tax Administration
Board of Elections
Register of Deeds
Finance

Rodney Miller, Finance Director, presented a request for the Board to approve a budget revision to increase the current Finance Department budget by \$80,000 to account for ambulance billing fees associated with an increase in ambulance collections received this fiscal year. Catawba County contracts with EMS Management Systems & Consultants, Inc. to provide billing, bill processing, fee collection and account management associated with the County's ambulance charges. With 140 employees and 120 clients in five states, EMS Management has a net collection rate of over 77% compared to a rate of 71% collected by in-house staff years ago. The County pays EMS Management a monthly fee of 8% of net ambulance collections and also contracts with a collection agency that collects delinquent accounts on our behalf. In addition, the County uses the North Carolina Debt Setoff program to collect delinquent accounts.

The initial budget in this fiscal year for ambulance fees was set at \$316,000, which was 8% of our budgeted revenues of \$3,860,000 plus \$7,200 for delinquent accounts. Analyzing revenues collected to date, it is estimated that current and past due ambulance revenues will equal \$4,660,000, which is \$800,000 over budgeted amounts. Collections from the debt setoff program have contributed approximately \$190,000 year-to-date. Estimated expenses for the year are \$396,000, including EMS fees on current billings and fees paid for collection of delinquent accounts. The proposed fiscal year 2009-2010 budget reflects a conservative increase in revenues and includes funds for billing services in the amount of \$370,000.

Commissioner Dan Hunsucker made a motion to approve the requested budget revision. The motion carried unanimously. The following supplemental appropriation applies:

Supplemental Appropriation:

Finance Department

Other Professional Services	110-170060-856900	\$80,000
Ambulance Charges Revenue	110-260150-671201	\$80,000

Rodney Miller, Finance Director, presented a request for the Board to approve a budget revision to transfer water and sewer funds and assets currently recorded in the County's governmental funds to the Water and Sewer Enterprise Fund. The Board was also requested to establish a new capital project enterprise fund to replace the Water and Sewer Construction Fund, which is currently reported as a governmental fund. In the current year budget, the Board of Commissioners approved the addition of a Water and Sewer Enterprise fund. Assets and debt associated with water and sewer lines and equipment has previously been recorded in the County's governmental funds.

By establishing this Enterprise Fund, under Generally Accepted Accounting Principles (GAAP), the County is now required to record those water and sewer assets, related debt and ongoing activity in the enterprise fund. The balance in the Water and Sewer Construction fund was \$30,589,831 as of June 30, 2008, which included capital assets of \$14,444,250 and \$7 million in debt issued for water and sewer improvements. These amounts will be shown as a capital contribution from governmental activities to business-type activities in the June 30, 2009 Comprehensive Annual Financial Report (CAFR). Also, the Water and Sewer Construction Fund will be transferred from a governmental capital project fund to an enterprise fund. This transaction does require a budget amendment prior to fiscal year-end.

Commissioner Hunsucker made a motion to establish a new Enterprise Capital Projects Fund to replace the Water and Sewer Construction Fund (415) now included as part of the County's governmental funds to be in compliance with GAAP and also approve the transfer of the capital project balances in the amount of \$30,589,831 from the old Water and Sewer Construction Fund to a new Enterprise Capital Projects Fund. The motion carried unanimously. The following supplemental appropriation applies:

Supplemental Appropriation:	
415-431100-995510-20001	\$30,389,831
Transfer to Enterprise Capital Projects Fund	
510-431100-695415	\$30,389,831
Transfer from Water and Sewer Construction Fund	

Planning & Zoning
Catawba Valley Medical Center
Public Health
Social Services
Cooperative Extension
Library
Human Resources
County Manager
Other Agencies
 United Arts Council
 Salt Block
 Historical Association
 Patrick Beaver Memorial Library
 Newton-Conover Auditorium Authority
 The Green Room
 Economic Development Corporation
 Convention and Visitors Bureau
 Repay
 Lake Norman Marine Commission
 Conflict Resolution Center

3. The meeting adjourned at 4:30 p.m.

Lynn M. Lail, Vice-Chair
Catawba County Board of Commissioners

J. Thomas Lundy
County Manager/Deputy Clerk